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Comments on Idaho Power's
2002 Integrated Resource Plan
From the Idaho Rural Council
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IDAHO PUBLIC
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It is our position that this is not an "integrated resource plan", what it is, is a resource plan to justify a particular project, a particular course of action. Idaho Power's 2002 Integrated Resource Plan is flawed for three primary reasons; first of all the process was flawed and if the process is flawed the product can't help but be flawed. Secondly the assumptions are flawed and thirdly with flawed process and flawed assumptions the analysis aspect of the plan was flawed. We will address these flaws in that order to back up our claim that Idaho Power's 2002 IRP should be rejected and the process started anew.

First let us discuss the process. Idaho Power, because of its monopoly status has a special relationship with its customers that other businesses don't have. It has because of its monopoly status what is akin to the trust relationship that the United States Government has with Native American tribal governments. Idaho Power's ratepayers rely on Idaho Power to meet their electrical needs, as citizens of the area in which they live the also rely on Idaho Power to meet those needs not only in terms of costs, reliability and safety, but to help steward the resources and quality of life that might be impacted by Idaho Power's management decisions. The Idaho Public Utilities Commission oversees this relationship, but also relies on an interactive relationship between Idaho Power and its customers.

As part of the process of developing the Integrated Resource Plan, Idaho Power was to hold a number of public meetings, ostensibly to get input from the public as to what should be considered in the plan. The Idaho Rural Council was looking forward to this process and to participate fully in the discussion. At the first public meeting, discussion was limited to Idaho Power's agenda, which was to discuss the water/weather data they should use for planning purposes. That discussion centered on whether to use the mean averages or to skew the planning process toward a more severe prospect. Having just gone through a severe drought throughout the region, we didn't see a problem of looking at a more severe case scenario for planning purposes. What we asked for at that meeting was to also look at what Idaho Power could do in terms of conservation, efficiencies, shaping of demand curves and alternatives to meet projected shortfalls. We were told that would happen at other meetings in the future.

There was only one more meeting and that was a public meeting to unveil the draft plan. There were no discussions on alternatives, they were vaguely mentioned in the plan but there was no public discussion of the options available to Idaho Power to meet their obligations to their ratepayers, the citizens of Idaho that live within their service area. The trust relationship was broken, the process flawed. The whole public

input aspect was merely a charade to say that public meetings were held. The public was allowed to comment on the draft IRP, but it came out unchanged.

Nest let us discuss the assumptions made. Idaho Power, based on its 70% water/weather worse case scenario assumed that there would be needle spike short falls of production to meet peak demand in July-August and in December-January of most years starting in 2005. Those demand curve assumptions seemed to be cast in stone, that they are real and solid and that nothing can be done to shape those curves. Getting back to process, without public input and discussion what can we know about the options available to us? Idaho Power customers were hit with high electrical power costs during the recent "energy crisis", a crisis that was eased through energy conservation and efficiency measures, measures that had they been in place might have lessened or prevented the crisis. The three tiered rate structure, which the Idaho Rural Council supported was a key factor in the success of that conservation effort. Idaho Power advanced nothing in the 2002 IRP to encourage conservation. If there had been true public discussions about conservation, efficiency, load shaping and alternative production, then the demand assumptions Idaho Power relied on in their IRP would have been different and that would have led various other analysis of possibilities not only in terms of load projections but assumptions about how to meet those loads.

Finally in the area of analysis we have the final flaw. First to have a valid analysis or assessment of any scenario, one has to have some criteria on which to assess the situation. Here again, the public meeting process would have played an important role; there the public would have helped to define the scenario. There is where the assumption about demand would have gotten defined as well as some sense of what the goal of the IRP should be. Left to Idaho Power and Ida-corp, that goal was to build the Garnet facility. With public input it would have been to implement energy efficiency and conservation efforts, to shape the load curves and implement some renewables before looking to other means of production. The analysis done on the 2002 IRP was limited by both the process of defining demand and the assumptions made about that demand. A false assumption was made that only one option existed to deal with demand and that was to build a power plant to meet wasteful, thoughtless consumption. Yet there was a host of evidence in the region that the demand curved could be shaved and shaped with other alternatives. Those alternatives weren't part of the goal and were not thoroughly analyzed. It is exactly that kind of scenario that got us into the crisis in the first place.

We lack in Idaho a coherent and comprehensive policy; instead we rely on such mechanisms as the integrated resource planning process. While Idaho Power talks about some public interest aspect of this process, it demonstrates no tangible ways to bring the public's concerns into the planning process. Public hearings without listenings are a serious dis-service. We need a full, honest and open discussion of this issue. A new docket should be opened on this matter so that this type of discussion can take place.

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